United Nations DP/FPA/2007/3

**Executive Board of the United Nations Development Programme and of the United Nations Population Fund**

Distr.: General
4 January 2007

Original: English

**First regular session 2007**
19 to 26 January 2007, New York
Item 9 of the provisional agenda
**UNFPA – Report of the Advisory Committee on Administrative and Budgetary Questions on UNFPA regionalization**

# UNITED NATIONS POPULATION FUND

## REPORT ON UNFPA REGIONALIZATION: TOWARDS A STRONGER FIELD-CENTRED AND RESULTS-ORIENTED ORGANIZATION

### Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director on regionalization of the United Nations Population Fund: towards a stronger field-centred and results-oriented organization (DP/FPA/2007/2). During its consideration of the report, the Advisory Committee met with the Executive Director and other representatives, who provided additional information and clarification.

2. The Advisory Committee notes from paragraphs 16-19 of the report that the concept of regionalization is not new to the Fund. The UNFPA technical support system, established in 1992, was a precursor of efforts to access the capacities of the United Nations system at regional and subregional levels to support country-level development initiatives, as called for in paragraph 76 of General Assembly resolution 59/250. In 2001, the Fund launched a comprehensive transition process to strengthen its field operations, adopting a new strategic direction and placing field activities at the centre of its operations.

3. As further indicated in the report, the regionalization would utilize existing organizational units, reporting lines and managerial authority, and not create additional bureaucracy or reporting layers. The objectives of the regionalization are indicated in paragraph 4 of the report.

06-68585 (E) 090107

4. As indicated in paragraph 46 of the report, the proposed regionalization model would be composed of four regional offices, five subregional support offices and five area offices, as follows:

(a) Regional offices: Cairo (Egypt), Addis Ababa (Ethiopia), Panama City (Panama) and Bangkok (Thailand);

(b) Subregional support offices: Suva (Fiji), Kingston (Jamaica), Kathmandu (Nepal), Dakar (Senegal) and Pretoria (South Africa);

(c) Area offices: Tirana (Albania), Almaty (Kazakhstan), Muscat (Oman), Bucharest (Romania) and Ankara (Turkey).

5. The Advisory Committee was informed that the Executive Board would discuss the UNFPA regionalization proposal in January 2007. Contingent upon Board approval, preparations would then be undertaken during 2007 and regionalization would commence in 2008. The Committee recalls its previous report on UNFPA (DP/FPA/2005/14) and notes that the current report was produced by the Fund with the support of consultants. The Advisory Committee commends the Fund for its plan and initiative but notes that the regionalization plan needs to be refined as a number of aspects require further in-depth study before a final proposal can be considered. In this context, the Committee recalls that it was informed in 2005 that various options for regionalization would be considered (DP/FPA/2005/14, paragraph 16; see also DP/FPA/2005/13, paragraph 10 (f)). At this stage of the process, the above-mentioned report presents one option.

6. The proposal outlines a general strategic vision and broad organizational restructuring and resource requirements; however, it does not address how and if countries in need of UNFPA support would benefit from regionalization. Upon inquiry, the Committee was informed that the regional and subregional resource requirements were preliminary and indicative. The Committee is of the view that the policy and resource requirements, both post and non-post, should be more specifically addressed and recommends that this matter be revisited. Furthermore, the Committee believes that regionalization should be considered in the context of overall United Nations reform and specifically in the light of such decisions as may be taken with respect to the concept of one United Nations at the country level. The Advisory Committee encourages UNFPA to profit from lessons learned on regionalization by other United Nations entities.

7. Several initiatives for 2008-2011 are currently under way and are being prepared for presentation to the Executive Board, namely: (a) the Enterprise Resource Planning system (Atlas); (b) the medium-term strategic plan, which will replace the multi-year funding framework; (c) a review of the global country and regional framework; and (d) a review of technical assistance programmes. The Advisory Committee believes that the regionalization concept of the Fund would greatly benefit from an integrative and comparative approach that would incorporate concurrent time lines and overall costs and benefits, with particular emphasis on operational results and transparency for both recipient and donor countries. The Committee also believes that the sequence of activity could be reconsidered and that the proposal ought to be

examined in the context of the above-mentioned exercises in order to avoid prejudging the decisions of the Executive Board.

8. With regard to the proposed structure, the Advisory Committee was informed, as noted above, that no additional administrative layers would be added to the overall structure of UNFPA. However, a review of the organizational charts included with the proposal showed that the level and number of posts in the areas of management, administration and support are relatively high. The Advisory Committee believes that the proposed organizational arrangements should be re-examined with a view to streamlining structures and reporting lines.

9. The Advisory Committee notes that the regionalization plan would also call for the creation of posts at headquarters. The Committee points out that any new headquarters posts should be fully justified and in the 2008-2009 budget proposal.

10. With regard to resource requirements, the report states that the estimated yearly recurrent cost to the biennial support budget of $5 million would constitute approximately 4.8 per cent of the annual budget, calculated on the basis of the gross biennial support budget appropriations of $209 million for the 2006-2007 biennium, or approximately 1 per cent of the total regular, or core, UNFPA resources.

11. Further, paragraph 73 of the report indicates that one-time costs are estimated at $28.3 million; of this amount, $14 million would be required by the end of the first quarter of 2007. An estimated amount of $13.9 million would be required for the set-up of regional offices and subregional support offices and $14.4 million for costs related to staff termination, relocation and other non-salary staff costs, such as those for consultants and personnel-related activities associated with the implementation of regionalization. Proposals related to the termination of staff should be submitted in the 2008-2009 budget. Upon enquiry, the Committee was informed that the Executive Director was not seeking an increase of the biennial support budget for 2006-2007.

12. Taking into account its comments above, the Advisory Committee encourages the Fund to review the current proposal and to further develop and refine its regionalization concept and plan in consultation with other United Nations entities. The Committee asks the Fund to broaden the scope of geographical, administrative and financial options presented to the Board and to include in its proposal measures to enhance accountability and oversight.